

NEIL ABERCROMBIE GOVERNOR

SHAN S. TSUYSUI

STATE OF HAWAII CABLE TELEVISION DIVISION DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

KEALI'I S. LOPEZ DIRECTOR

JO ANN M. UCHIDA TAKEUCHI

335 MERCHANT STREET P.O. Box 541 HONOLULU, HAWAII 96809 (808) 586-2620 FAX (808) 586-2625

VIA EMAIL & U.S. MAIL

June 13, 2013

Mr. Bob Barlow President Oceanic Time Warner Cable LLC 200 Akamainui Street Mililani, HI 96789-3999

Dear Mr. Barlow:

Pursuant to Letter Orders dated December 21, 2012, the Department of Commerce and Consumer Affairs ("DCCA") directed Oceanic Time Warner Cable LLC ("OTWC") to pay fifty percent (50%) of the respective 2013 Access Operating Fees to the following public, educational, and governmental ("PEG") access organizations: Hoike: Kauai Community Television, Inc. ("Hoike"), Na Leo O Hawaii, Inc. ("Na Leo"), Olelo Community Television ("Olelo") and Akaku: Maui Community Television ("Akaku"). OTWC was also directed to pay fifty percent (50%) of the respective 2012 capital fund payments to Hoike, Na Leo and Akaku.

In addition DCCA directed OTWC to deposit and maintain the balance of the 2013 Access Operating Fees and the balance of the 2013 capital fund payments for Hoike, Na Leo and Akaku in separate interest-bearing accounts in federally insured financial institutions pending further instruction from DCCA. OTWC was allowed to recover the reasonable costs of administering the bank accounts (including the tax impact of any interest earned) from the interest on the accounts. Any remaining interest earned on the bank accounts would then be prorated and disbursed among the PEG access organizations.

DCCA and each incumbent PEG access organization have agreed to an extension of their PEG access agreement for another six-month period from July 1, 2013 to December 31, 2013.

Accordingly, pursuant to Hawaii Revised Statutes section 440G-12; Sections 4.2(c), 12.8, and 12.9 of D&O No. 173, as amended; Sections 4.2(c), 12.8, and 12.9 of D&O No. 174, as amended; Sections 4.2(b), 12.8, and 12.9 of D&O No. 185, as amended; Sections 4.2(c), 12.8, and 12.9 of D&O No. 241, as amended; and Sections 4.2(c), 11.8, and 11.9 of D&O No. 291, as amended; Section II.D of D&O No. 321; Sections II.A and II.B of D&O No. 335, Section

The franchise term for TWE's West Hawaii System was extended to August 15, 2013 by Letter Order dated May 31, 2013.

The franchise term for TWE's Foot House System was extended to August 15, 2013 by Letter Order dated May 31, 2013.

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II.C of D&O No. 345; and Sections IV.I and IV.J of D&O No. 346, DCCA hereby directs OTWC to:

- 1. Pay the remaining fifty percent (50%) of the respective 2013 Access Operating Fees, subject to the provisions in this Letter Order, to Olelo, Na Leo, Hoike, and Akaku on or about July 1, 2013, and submit to the DCCA copies of all payment checks and calculation supporting documents.
- 2. By separate check, pay the remaining fifty percent (50%) of the respective 2013 capital fund payments, subject to the provisions in this Letter Order, to Na Leo, Hoike, and Akaku on or about July 1, 2013, and submit to the DCCA copies of all payment checks and calculation supporting documents.³
- 3. Any interest earned on the bank accounts shall be prorated and disbursed to the respective PEG Access Organizations by July 31, 2013, and OTWC shall submit to the DCCA copies of all payment checks and calculation supporting documents.

Except as provided herein, the remaining provisions of DCCA's December 21, 2012 Letter Orders shall remain in effect.

Thank you for your attention to and cooperation in this matter. Please call me if you have any questions.

Sincerely,

KEALI'I S. LOPEZ

Director

Department of Commerce and Consumer Affairs

c: Cathy Takase, CATV
Brian Kang, Esq.
Russell Saiki, OTWC
Roy Amemiya, 'Ōlelo
J Robertson, Hoike
Baron Sekiya, Na Leo
Jay April, Akaku
Marlon Wedemeyer (HENC)
Clyde Sakamoto, Chancellor (MENC)

³ OTWC paid 'Ölelo its 2013 capital fund payment pursuant to the Deputy Director's Final Order Regarding Arbitrator's Decision Filed on July 27, 2012. The amount of TWE's capital fund payments to 'Ölelo for Government PEG Access Programming Facilities and Equipment at the Hawai'i State Capitol and for the City and County of Honolulu Administration is currently subject to a contested case proceeding before the Office of Administrative Hearings. DCCA will later instruct OTWC on these capital fund payments once the contested case proceeding is completed.